

AMENDED IN SENATE MAY 25, 2006

AMENDED IN ASSEMBLY APRIL 6, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1122

Introduced by Assembly Member Wyland

February 22, 2005

An act to amend Section ~~672 of the Insurance~~ 11515 of the Vehicle Code, relating to auto insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1122, as amended, Wyland. Auto insurance: ~~cost estimate total loss.~~

Under existing law, following a total loss settlement on a total loss salvage vehicle and receipt of a certificate of ownership or other evidence of title, the license plates, and a specified fee, the Department of Motor Vehicles is required to issue a salvage certificate for the vehicle.

The bill would authorize an insurance company, an occupational licensee of the department authorized by the insurance company, or a salvage pool authorized by the insurance company, that is unable to obtain a certificate of ownership or other evidence of ownership within 30 days following a total loss settlement, on a form provided by the department and signed under penalty of perjury, to request the department to issue a salvage certificate for the vehicle. The request would be required to include and document that the requester has made at least 2 written attempts to obtain the certificate of ownership or other acceptable evidence of title.

The bill would require the department to issue a salvage certificate upon receipt of a properly executed request, the license plates, and the fees.

Because this bill would expand the scope of the crime of perjury, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law requires every admitted insurer or insurer group licensed to sell auto insurance to provide consumers with a cost estimate for its lowest priced personal auto insurance policy at the limits the consumer has requested and for which the consumer is eligible.~~

~~This bill would apply this requirement, instead, to every admitted insurer selling auto insurance. It would exempt from this requirement any insurer that is licensed to sell auto insurance and that ceases the sale of auto insurance.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 11515 of the Vehicle Code is amended*
2 *to read:*

3 11515. (a) (1) Whenever an insurance company makes a
4 total loss settlement on a total loss salvage vehicle, the insurance
5 company, an occupational licensee of the department authorized
6 by the insurance company, or a salvage pool authorized by the
7 insurance company, ~~shall~~, within 10 days from the settlement of
8 the loss, *shall* forward the properly endorsed certificate of
9 ownership or other evidence of ownership acceptable to the
10 department, the license plates, and a fee in the amount of fifteen
11 dollars (\$15), to the department. An occupational licensee of the
12 department may submit a certificate of license plate destruction
13 in lieu of the actual license plate. ~~The~~

14 (2) *If an insurance company, an occupational licensee of the*
15 *department authorized by the insurance company, or a salvage*

1 *pool authorized by the insurance company is unable to obtain the*
2 *properly endorsed certificate of ownership or other evidence of*
3 *ownership acceptable to the department within 30 days following*
4 *a total loss settlement, that insurance company, licensee, or*
5 *salvage pool, on a form provided by the department and signed*
6 *under penalty of perjury, may request the department to issue a*
7 *salvage certificate for the vehicle. The request shall include and*
8 *document that the requester has made at least two written*
9 *attempts to obtain the certificate of ownership or other*
10 *acceptable evidence of title, and shall include the license plates*
11 *and fee described in paragraph (1).*

12 (3) The department, upon receipt of the certificate of
13 ownership ~~or~~, other evidence of title, *or properly executed*
14 *request described in paragraph (2), the license plates, and the*
15 *fee, shall issue a salvage certificate for the vehicle.*

16 (b) Whenever the owner of a total loss salvage vehicle retains
17 possession of the vehicle, the insurance company shall notify the
18 department of the retention on a form prescribed by the
19 department. The insurance company shall also notify the insured
20 or owner of the insured's or owner's responsibility to comply
21 with this subdivision. The owner shall, within 10 days from the
22 settlement of the loss, forward the properly endorsed certificate
23 of ownership or other evidence of ownership acceptable to the
24 department, the license plates, and a fee in the amount of fifteen
25 dollars (\$15) to the department. The department, upon receipt of
26 the certificate of ownership or other evidence of title, the license
27 plates, and the fee, shall issue a salvage certificate for the
28 vehicle.

29 (c) Whenever a total loss salvage vehicle is not the subject of
30 an insurance settlement, the owner shall, within 10 days from the
31 loss, forward the properly endorsed certificate of ownership or
32 other evidence of ownership acceptable to the department, the
33 license plates, and a fee in the amount of fifteen dollars (\$15) to
34 the department.

35 (d) Whenever a total loss salvage vehicle is not the subject of
36 an insurance settlement, a self-insurer, as defined in Section
37 16052, shall, within 10 days from the loss, forward the properly
38 endorsed certificate of ownership or other evidence of ownership
39 acceptable to the department, the license plates, and a fee in the
40 amount of fifteen dollars (\$15) to the department.

(e) Prior to *the* sale or disposal of a total loss salvage vehicle, the owner, owner's agent, or salvage pool, shall obtain a properly endorsed salvage certificate and deliver it to the purchaser within 10 days after payment in full for the salvage vehicle and shall also comply with Section 5900. The department shall accept the endorsed salvage certificate in lieu of the certificate of ownership or other evidence of ownership when accompanied by an application and other documents and fees, including, but not limited to, the fees required by Section 9265, as may be required by the department.

(f) This section does not apply to a vehicle ~~which~~ *that* has been driven or taken without the consent of the owner thereof, until the vehicle has been recovered by the owner and only if the vehicle is a total loss salvage vehicle.

(g) A violation of subdivision (a), (b), (d), or (e) is a misdemeanor, pursuant to Section 40000.11. Notwithstanding Section 40000.11, a violation of subdivision (c) is an infraction, except that, if committed with *the* intent to defraud, a violation of subdivision (c) is a misdemeanor.

(h) (1) A salvage certificate issued ~~under~~ *pursuant to* this section shall include a statement that the seller and ~~any~~ subsequent sellers that transfer ownership of a total loss vehicle pursuant to a properly endorsed salvage certificate are required to disclose to the purchaser at, or prior to, the time of sale that the vehicle has been declared a total loss salvage vehicle.

(2) Effective on and after the department includes in the salvage certificate form the statement described in paragraph (1), a seller who fails to make the disclosure described in paragraph (1) shall be subject to a civil penalty of not more than five hundred dollars (\$500).

(3) Nothing in this subdivision affects any other civil remedy provided by law, including, but not limited to, punitive damages.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a

1 *crime within the meaning of Section 6 of Article XIII B of the*
2 *California Constitution.*

3 ~~SECTION 1. Section 672 of the Insurance Code is amended~~
4 ~~to read:~~

5 ~~672. (a) Except as provided in subdivision (d), every~~
6 ~~admitted insurer selling automobile insurance shall provide~~
7 ~~consumers of personal automobile insurance, as described in~~
8 ~~Section 660, with a cost estimate for its lowest priced personal~~
9 ~~automobile insurance policy at the limits the consumer has~~
10 ~~requested and for which the consumer is eligible.~~

11 ~~(b) The insurer shall meet this requirement by either or both of~~
12 ~~the following:~~

13 ~~(1) Maintaining a toll-free telephone number available to~~
14 ~~consumers in any geographic area in which the insurer is~~
15 ~~authorized or approved to write business in California. Upon~~
16 ~~request, the insurer shall provide the consumer with a cost~~
17 ~~estimate, or shall refer the consumer to an insurer representative~~
18 ~~or insurance broker-agent who shall, upon request, provide the~~
19 ~~cost estimate based upon information provided by the consumer.~~
20 ~~The insurer shall make this toll-free number available to the~~
21 ~~consumer by maintaining a listing in the toll-free telephone~~
22 ~~directory.~~

23 ~~(2) Maintaining an Internet Web site where consumers can~~
24 ~~obtain a cost estimate online, or be referred to an insurer~~
25 ~~representative or insurance broker-agent who shall, upon request,~~
26 ~~provide the cost estimate based upon information provided by the~~
27 ~~consumer.~~

28 ~~(c) Each insurer shall provide the toll-free number or the~~
29 ~~Internet Web site address, or both, to the commissioner, who~~
30 ~~shall make the information available on the department's Internet~~
31 ~~Web site and through the department's consumer toll-free~~
32 ~~telephone line.~~

33 ~~(d) This section shall not apply to any insurer that is licensed~~
34 ~~to sell automobile insurance and that ceases the sale of~~
35 ~~automobile insurance.~~